

Utah State Tax Commission
210 N 1950 W, Salt Lake City, UT 84134
(801) 297-2200 or 1-800-662-4335 - tax.utah.gov

Utah S Corporation Franchise or Income Tax Return

2006
TC-20S
Rev. 12/06

9999

This return is for the calendar year ending Dec. 31, 2006, or fiscal year beginning _____ and ending _____.

☐ FOR AMENDED RETURN - ENTER CODE (1-4) from page 3

☐ Enter "X" if you filed federal form 8886

Check box(es) if this is a new address: • <input type="checkbox"/> Physical address • <input type="checkbox"/> Mailing address	Corporation name CXT Well Services			Employer Identification Number 456711102
	Address 123 Business Way			Utah Incorporation/Qualification Number 20000000007
	City Salt Lake City			Telephone Number (801) 123-4567
	State Utah	Zip code 84123	Foreign country (if not U.S.)	

NOTE: Attach a complete federal 1120S including schedule K-1 for all shareholders. If all shareholders are Utah residents, and there are no corporate built-in gains or other gains to report under UC §59-7-701, Schedules A through N are not required.

☐ Check box if this is the first return as an S corporation. If so, attach the IRS "Notice of Acceptance as an S Corporation" designation letter and provide the effective date. Effective date: ● / / MMDDYYYY

	Resident	Nonresident IRC 501 Exempt	Nonresident Taxable	Total
1. (a) Number of shares			7,500	7,500
(b) Percentage of shares ●	%	%	100.0 %	100%

2. Check if this corporation conducted any **Utah** business activity during the taxable year ☐

3. Has this S corporation made an election to treat one or more subsidiaries as a Qualified Subchapter S Subsidiary? ☐
Include on Schedule M each Qualified Subchapter S Subsidiary doing business, incorporated or qualified in Utah.

4. Refund - (from Schedule A, line 19)	4		00
5. Tax Due - (from Schedule A, line 20)	5	2,416	00
6. Total the penalties and interest listed below and enter on this line	6		00

Extension penalty \$ _____ Late filing penalty \$ _____
Late payment penalty \$ _____ Interest \$ _____

7. Utah Use Tax, if \$400 or less (see instructions)	7		00
8. Total Refund - (Subtract lines 6 and 7 from line 4)	8		00
9. Total Tax Due - (Add lines 5, 6 and 7) Make check payable to: UTAH STATE TAX COMMISSION	9	2,416	00

Check the box for each
schedule attached. Arrange
in order behind this form.

☒ Schedule A ☒ Schedule E ☒ Schedule H
☒ Schedule J ☐ Schedule M ☒ Schedule N

Under penalties of perjury, I declare to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

Paid Preparer's Section	Signature of officer John R. Doe	Title President	Date signed 2-1-07	<input checked="" type="checkbox"/> Check here if the Tax Commission may discuss this return with the preparer shown below (see page 5)
	Preparer's signature Jim Smith	Date signed 2-2-07	Preparer's Social Security no. or PTIN 332211445	
	Firm's name (or yourself if self-employed) Smith Accounting Services	Preparer's telephone no. (801) 123-4567	Preparer's EIN 987654321	
	Preparer's complete address (street, city, state, ZIP) 789 Business Way, Salt Lake City, Utah 84123			

Supplemental Information To Be Supplied By All S Corporations

1. ☐ Yes ☒ No Does this S corporation own more than 50 percent of the voting stock of another corporation?

If yes, provide the following information for each corporation so owned (attach additional sheets, if necessary):

Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S Corp.)	mm / dd / yy to mm / dd / yy
Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S Corp.)	mm / dd / yy to mm / dd / yy
Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S Corp.)	mm / dd / yy to mm / dd / yy
Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S Corp.)	mm / dd / yy to mm / dd / yy

2. Where are the corporate books and records maintained?

123 Business Way, Salt Lake City, Utah 84123

3. What is the state of commercial domicile?

Utah

4. What is the last year for which a federal examination has been completed?

Under separate cover, send a summary and supporting schedules for all federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to Auditing Division, Utah State Tax Commission, 210 North 1950 West, Salt Lake City, UT 84134-2000.

5. For what years are federal examinations now in progress, or a final determination of past examinations still pending?

6. For what years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service?

NOTE: An automatic extension of the Statute of Limitations relating to assessment of tax is provided by UC §59-7-519 for failure to report fully the information required.

20S062

Schedule A - Computation of Utah Net Taxable Income and Tax DueCorporation Name
CXT Well ServicesTaxable Year Ending
12-31-06Employer Identification Number
456711102

1. Federal income/loss from form 1120S, Schedule K, line 18	1	9,685,914	00
2. Gain/Loss on Sec. 179 expense deduction passed through to shareholders from all federal Sch. K-1s, line 17	2		00
3. Charitable contributions deducted on federal form 1120S, Schedule K, line 12a.....	3	169	00
4. Total foreign taxes deducted on federal form 1120S, Schedule K, line 14I	4	793,349	00
5. Net Income:			
a. Total income before nonbusiness income (add lines 1 through 4)	5a	10,479,432	00
b. Nonresident income (line 5a multiplied by nonresident taxable percentage on form TC-20S, line 1(b))	5b	10,479,432	00
6. Nonbusiness income allocation:			
a. Allocated to Utah: \$ 114,853.00 (from Schedule H, line 13) multiplied by nonresident taxable percentage on TC-20S, line 1(b)	6a	114,853	00
b. Allocated outside Utah: \$ 386,503.00 (from Schedule H, line 26) multiplied by nonresident taxable percentage on TC-20S, line 1(b).....	6b	386,503	00
Nonbusiness income total (add lines 6a and 6b)	6	501,356	00
7. Net income subject to apportionment (subtract line 6 from line 5b)	7	9,978,076	00
8. Apportionment fraction (enter 1.000000, or Schedule J, line 8 or line 12, if applicable)	8	.003604	
9. Net income apportioned to Utah (line 7 multiplied by line 8)	9	35,961	00
10. Nonbusiness income allocated to Utah (amount from line 6a).....	10	114,853	00
11. Utah Taxable Income/Loss (add lines 9 and 10).....	11	150,814	00
12. Deduction amount - 15% (multiply line 11 by .15; do not enter an amount less than zero)	12	22,622	00
13. Net Taxable Income (subtract line 12 from line 11)	13	128,192	00
14. Tax rate	14	.0698	
15. Calculation of tax (see instructions)			
a. Line 13 multiplied by line 14	15a	8,948	00
b. Built-in and other gains	15b		00
c. Amended Returns Only (previous refunds)	15c		00
Tax amount (add lines 15a through 15c)	15	8,948	00
16. Refundable Credits and Previous Payments for Amended Returns			
16a • CODE 46 3,172 00 16b • CODE 00 00 16c • CODE 00 00			
16d. Prepayments (from line 4, Schedule E below)	16d	3,360	00
16e. Amended Returns Only (previous payments)	16e		00
Total (add lines 16a through 16e)	16	6,532	00
17. Overpayment - if line 16 is larger than line 15, subtract line 15 from line 16	17		00
18. Amount of overpayment to be applied as prepayment for next taxable year	18		00
19. Refund (subtract line 18 from line 17) Enter here and on form TC-20S, line 4	19		00
20. Tax Due - if line 15 is larger than line 16, subtract line 16 from line 15. Enter here and on form TC-20S, line 5	20	2,416	00

Schedule E - Prepayments of Any Type - Enter the total from line 4 below on line 16d above.

1. Overpayment applied from prior year	1		00
2. Extension prepayment Date _____ Check number _____	2		00
3. Other prepayments (attach additional pages if necessary)			
a. Date 09/14/06 Check number 12345	3a	3,360	00
b. Date _____ Check number _____	3b		00
c. Date _____ Check number _____	3c		00
d. Date _____ Check number _____	3d		00
Total of other prepayments (add lines 3a through 3d)	3	3,360	00
4. Total prepayments (add lines 1, 2 and 3) Enter here and on Schedule A, line 16d	4	3,360	00

Schedule H - Nonbusiness Income Net of Expenses (See instructions) TC-20 H, Rev. 12/06 (For use with TC-20 and TC-20S)

Corporation Name CXT Well Services	Taxable Year Ending 12-31-06	Employer Identification Number 456711102
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Note: Failure to complete all information required below may result in automatic disallowance of the nonbusiness income claimed.

Utah Nonbusiness Income (Allocated to Utah)

Description of Utah Nonbusiness Income	Acquisition Date of Nonbusiness Asset(s)	Payor of Nonbusiness Income	Beginning Value of Investment Used to Produce Nonbusiness Income	Ending Value of Investment Used to Produce Nonbusiness Income	Nonbusiness Income
1a. Rents	10/31/2000	Business Inc.	\$50,000.00	\$262,910.00	212,910.00
1b.					
1c.					
1d.					
2. Total Utah nonbusiness income (add lines 1a through 1d)					212,910.00
3a. Description of direct expenses related to line 1a above			Enter amount of direct expenses		98,057.00
3b. Description of direct expenses related to line 1b above			Enter amount of direct expenses		
3c. Description of direct expenses related to line 1c above			Enter amount of direct expenses		
3d. Description of direct expenses related to line 1d above			Enter amount of direct expenses		
4. Total direct related expenses (add lines 3a through 3d)					98,057.00
5. Utah nonbusiness income net of direct related expenses (subtract line 4 from line 2)					114,853.00

Indirect Related Expenses for Utah Nonbusiness Income		Total Assets Used to Produce Utah Nonbusiness Income (Column A)	Total Assets (Column B)	
6. Beginning of year		\$0.00	\$12,871,680.00	
7. End of year		\$0.00	\$22,938,141.00	
8. Sum of beginning and ending asset values (add lines 6 and 7)		\$0.00	\$35,809,821.00	
9. Average assets (line 8 divided by 2)		\$0.00	\$17,904,911.00	
10. Average Utah nonbusiness assets to average total assets (line 9, Column A, divided by line 9, Column B)				0.00
11. Interest expense deducted in computing Utah taxable income (see instructions)				51.00
12. Indirect related expenses for Utah nonbusiness income (line 10 multiplied by line 11)				
13. Total Utah nonbusiness income net expenses (subtract line 12 from line 5) Enter here and on:				114,853.00

TC-20, Sch. A, line 5a
TC-20S, Sch. A, line 6a

Non-Utah Nonbusiness Income (Allocated Outside Utah)

Description of Non-Utah Nonbusiness Income	Acquisition Date of Non-Utah Nonbusiness Asset(s)	Payor of Non-Utah Nonbusiness Income	Beginning Value of Investment Used to Produce Non-Utah Nonbusiness Income	Ending Value of Investment Used to Produce Non-Utah Nonbusiness Income	Non-Utah Nonbusiness Income
14a. Rents	11/27/2001	Management Inc.	\$15,000.00	\$66,087.00	51,087.00
14b. Interest & Dividends	06/01/1999	Investment Corp	\$35,000.00	\$374,066.00	339,066.00
14c. Net Capital Gains & Losses	08/15/2002	Consulting Co.	\$7,000.00	\$3,350.00	-3,650.00
14d.					
15. Total non-Utah nonbusiness income (add lines 14a through 14d)					386,503.00
16a. Description of direct expenses related to line 14a above			Enter amount of direct expenses		
16b. Description of direct expenses related to line 14b above			Enter amount of direct expenses		
16c. Description of direct expenses related to line 14c above			Enter amount of direct expenses		
16d. Description of direct expenses related to line 14d above			Enter amount of direct expenses		
17. Total direct related expenses (add lines 16a through 16d)					
18. Non-Utah nonbusiness income net of direct related expenses (subtract line 17 from line 15)					386,503.00

Indirect Related Expenses for non-Utah Nonbusiness Income		Total Assets Used to Produce Non-Utah Nonbusiness Income (Column A)	Total Assets (Column B)	
19. Beginning of year		\$0.00	\$12,871,680.00	
20. End of year		\$0.00	\$22,938,141.00	
21. Sum of beginning and ending asset values (add lines 19 and 20)		\$0.00	\$35,809,821.00	
22. Average assets (line 21 divided by 2)		\$0.00	\$17,904,911.00	
23. Average nonbusiness assets to average total assets (line 22, Column A, divided by line 22, Column B)				0.00
24. Interest expense deducted in computing Utah taxable income (see instructions)				51.00
25. Indirect related expenses for non-Utah nonbusiness income (line 23 multiplied by line 24)				
26. Total non-Utah nonbusiness income net of expenses (subtract line 25 from line 18) Enter here and on:				386,503.00

TC-20, Sch. A, line 5b
TC-20S, Sch. A, line 6b

Schedule J - Apportionment ScheduleTC-20 J, Rev. 12/06
(for use with TC-20, TC-20S, TC-20REIT & TC-20UBI)Corporation Name
CXT Well ServicesTaxable Year Ending
12-31-06Employer Identification Number
456711102

NOTE: Use this schedule only if income is taxable in another state and should be apportioned to Utah.
Use this schedule with Utah corporate forms TC-20, TC-20S, TC-20REIT and TC-20UBI.

Describe briefly the nature and location(s) of your Utah business activities:

We perform well services in Wasatch County

APPORTIONABLE INCOME FACTORS		Inside Utah Column A		Inside and Outside Utah Column B	
1. Property Factor					
a. Land.....	1a		00		00
b. Depreciable assets.....	1b	130,474	00	16,727,290	00
c. Inventory and supplies.....	1c		00		00
d. Rented property.....	1d		00		00
e. Other tangible property.....	1e		00		00
f. Total tangible property (total lines 1a through 1e).....	1f	130,474	00	16,727,290	00
2. Property factor (decimal) — line 1f, column A divided by line 1f, column B.....				2	0.007800
3. Payroll Factor					
a. Total wages, salaries, commissions and other compensation.....	3a		00	1,603,444	00
4. Payroll factor (decimal) — line 3a, column A divided by line 3a, column B.....				4	
5. Sales Factor					
a. Sales (gross receipts less returns and allowances).....	5a			21,065,359	00
b. Sales delivered or shipped to Utah purchasers from outside Utah.....	5b		00		
c. Sales delivered or shipped to Utah purchasers from within Utah.....	5c	63,425	00		
d. Sales shipped from Utah to the United States government.....	5d		00		
e. Sales shipped from Utah to purchasers in a state(s) where the taxpayer has no nexus (the corporation is not taxable in the state of purchaser)	5e		00		
f. Rent and royalty income.....	5f		00		00
g. Service income (attach schedule).....	5g		00		00
h. Total sales and services (total lines 5a through 5g).....	5h	63,425	00	21,065,359	00
6. Sales factor (decimal) — line 5h, column A divided by line 5h, column B.....				6	0.003011

EQUALLY-WEIGHTED THREE FACTOR FORMULA

Corporations not making the election to double-weight the sales factor must complete lines 7 and 8.

7. Add lines 2, 4 and 6.....	7	0.010811
8. Calculate the Apportionment Fraction to SIX DECIMALS (line 7 divided by 3 or the number of factors present)	8	0.003604

DOUBLE-WEIGHTED SALES FACTOR ELECTION — If elected, this option is effective and irrevocable for five years.
 Corporations electing to double-weight the sales factor must complete lines 9 through 12.

9. Enter "X" in the box if the election is made to double-weight the sales factor.....	9	<input type="checkbox"/>
10. Doubled sales factor — amount from line 6 times 2.....	10	
11. Add lines 2, 4 and 10.....	11	
12. Calculate the Elected Apportionment Fraction to SIX DECIMALS (line 11 divided by 4 or the number of factors present, counting the sales factor twice).....	12	

Enter the amount from line 8 (or line 12 if the Double-Weighted Sales Factor Election is selected) as follows:

TC-20 filers - enter on TC-20, Schedule A, line 9

TC-20S filers - enter on TC-20S, Schedule A, line 8

TC-20REIT filers - enter on TC-20REIT, line 4

TC-20UBI filers - enter on TC-20UBI, line 2

Schedule N - Tax Remittance and Credit Information

Corporation Name	Taxable Year Ending	Employer Identification Number
CXT Well Services	12-31-06	456711102

Instructions: S corporations making income tax payments on behalf of nonresident shareholders must complete Part 1.

Part 1 Utah Income Tax Paid for Nonresident Shareholders

S corporations must list below each nonresident shareholder and the amount, if any, of Utah income tax is paid on behalf of the shareholder. The social security number (SSN) or employer identification number (EIN), corporate ownership percentage, and the amount of Utah tax paid on behalf of the shareholder must also be indicated for each nonresident shareholder.

This form may be copied to accommodate additional shareholders.

Shareholder	Social Security Number or Employer Identification Number	Percentage of Ownership	Utah Tax Paid on Behalf of Shareholder
John R. Doe	789-65-4211	75	6,711 00
Jane Doe	456-98-1235	25	2,237 00
			00
			00
			00
			00
			00
			00
			00
			00
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			00
			00
			00
			00
Total (This amount should equal the amount on Schedule A, line 15a)			\$ 8,948 00

Part 2 Nonrefundable Tax Credits Allocated to Shareholders

S Corporations must allocate nonrefundable tax credits for each shareholder for which nonrefundable tax credits may be claimed on an income tax return.

Indicate the credit code (02-13) and the amount in the columns provided below for each shareholder.

- | | |
|--|--|
| 02 = Qualified sheltered workshop cash contribution credit | 08 = Low income housing tax credit (see instructions) |
| 03 = Renewable energy systems credit (form TC-40E) | 09 = Credit for employers who hire disabled (form TC-40HD) |
| 05 = Clean fuel vehicle tax credit (form TC-40V) | 10 = Recycling market development zone tax credit (form TC-40R) |
| 06 = Historic preservation tax credit (form TC-40H) | 12 = Credit for increasing research activities |
| 07 = Enterprise zone tax credit | 13 = Credit for machinery and equipment used to conduct research |

[illegible]